(Translation)

Consolidated Financial Results for the Second Quarter Ended September 30, 2008

November 26, 2008

Listing name: ASAHI TEC CORPORATION (the "Company") Listing: The Tokyo Stock Exchange, 1st section
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(Rounded to the nearest million yen except for per share information)

1. Consolidated Financial Results for the Six Months Ended September 30, 2008 (April 1, 2008 ~ September 30, 2008)

(1) Consolidated operating results

	Net sales (In ¥ million)	%	Operating income (loss) (In ¥ million)	%	Ordinary loss (In ¥ million)	%
Six months ended September 30, 2008	137,674	-	(202)	-	(5,562)	-
Six months ended September 30, 2007	161,269	266.2	3,144	145.7	(3,000)	-

	Net loss (In ¥ million)	%	Basic net loss per share (In ¥)	Diluted net income per share (In ¥)
Six months ended September 30, 2008	(12,292)	-	(47.59)	-
Six months ended September 30, 2007	(2,798)	-	(12.62)	-

(2) Consolidated financial position

	Total assets (In ¥ million)	Net assets (In ¥ million)	Equity ratio (%)	Net assets per share (In ¥)
Six months ended September 30, 2008	230,525	33,143	13.7	22.31
Year ended March 31, 2008	242,886	47,692	18.9	81.94

For reference: Equity capital

	(In ¥ million)
Six months ended September 30, 2008	31,614
Year ended March 31, 2008	46,073

2. Dividend Information

	Cash dividend per share (In ¥)				
	Q1	Q2	Q3	Year-end	Total
Year ended March 31, 2008	-	-	-	-	-
Year ending March 31, 2009	-	-	-	-	-
Year ending March 31, 2009 (forecast)	-	-	-	-	-

(Note) Revision of dividend forecast in Q2: No

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2009 (April 1, 2008 ~ March 31, 2009)

	Net sales (In ¥ million)	%	Operating loss (In ¥ million)	%	Ordinary loss (In ¥ million)	%
Year ending March 31, 2009	258,900	(18.0)	(3,700)	-	(13,200)	-

	Net loss (In ¥ million)	%	Basic net loss per share (In ¥)
Year ending March 31, 2009	(600)	-	(4.94)

(Note) Revision of forecast of consolidated operating results in Q2: Yes

4. Other

(1) Change in the scope of consolidation: None

(2) Adoption of simplified methods and accounting treatment specific to the quarterly closing: Yes

(Note) Please refer to “4. Other” on page 4 for detail.

(3) Change of accounting principles/methods and presentation in preparing quarterly consolidated financial statements

Change by amendments of accounting pronouncements: Yes

Changes other than above: None

(Note) Please refer to “4. Other” on page 4 for detail.

(4) Number of shares issued and outstanding (common stock) (In shares)

	As of September 30, 2008	As of September 30, 2007	As of March 31, 2008
Number of shares issued and outstanding (including treasury stock)	282,407,537	-	259,907,537
Number of treasury stock	424,519	-	415,335
Weighted average number of shares	269,076,838	259,501,480	-

Accounting Standards Board of Japan (“ASBJ”) Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting* were newly adopted for the fiscal year ending March 31, 2009. In addition, the quarterly consolidated financial statements are prepared in accordance with *Rules for Quarterly Financial Reporting*.

All forecasts were made based on the data available to the Company as of the date this report was filed. Therefore, the actual outcome may differ from the forecast due to various factors.

The calculation of forecasted basic net income per share reflects the issuance of new shares (25,636,600 shares) by third party allotment on October 15, 2008 that was approved by the Company’s board of directors on September 26, 2008 and the issuance of new shares (129,402,026 shares) by third party allotment on November 25, 2008 that was approved by the Company’s board of directors on October 30, 2008.

[Discussion and Analysis of Consolidated Financial Statements]

1. Consolidated operating results

The global economy has been slowing down due to increases in material prices and turmoil in financial markets that were triggered by the subprime mortgage financial crisis.

In this economic environment, consolidated sales for the six months ended September 30, 2008 amounted to ¥137,674 million, down 14.6% from the prior year six-month period. This is due primarily to a decrease in North American demand for automobiles and the impact of foreign currency translation, offset by an increase in domestic demand supported by the growing exports of trucks and construction machines to emerging countries and the start of construction for electric power transmission equipment.

Operating loss amounted to ¥202 million (down ¥3,346 million compared to an operating income of ¥3,144 million during the prior year six-month period) due to increases in material prices and a decrease in North American demand for automobiles, offset by price increases, cost reductions resulting from the closure of certain plants in North America, and a reduction of selling, general and administrative expenses. Interest expense amounted to ¥5,179 million and ordinary loss amounted to ¥5,562 million (down ¥2,561 million compared to an ordinary loss of ¥3,000 million during the prior year six-month period). In addition, an impairment loss of ¥9,387 million was recorded as an extraordinary loss related mainly to the planned divestiture of two North American plants and goodwill impairment. A loss on disposal of noncurrent assets of ¥576 million and a loss associated with idled leased assets of ¥794 million were also recorded as extraordinary losses. These extraordinary losses were partially offset by a gain on extinguishment of debt of ¥3,313 million and a curtailment gain of ¥1,625 million that were both recorded as extraordinary gains.

Based on the above, the net loss for the six months ended September 30, 2008 amounted to ¥12,292 million (an increase of ¥9,493 million compared to the net loss of ¥2,798 million during the prior year six-month period).

2. Consolidated financial position

Total assets amounted to ¥230,525 million, down ¥12,360 million from the prior year-end, due to a decrease of notes and accounts receivables resulting from collections and from a decline in sales, impairment of noncurrent assets, such as fixed assets, due to the planned divestiture of plants in North America and goodwill due to a decline in profitability, and recording of depreciation expense, offset by an increase in a foreign subsidiary’s assets due to the impact of foreign currency translation.

Total liabilities amounted to ¥197,381 million, up ¥2,187 million from the prior year-end, due to the increase in a foreign subsidiary’s liabilities impacted by foreign currency translation and the increase in a foreign subsidiary’s long-term loans payable to meet increased working capital needs, offset by a decrease of notes payable, accounts payable and short-term loans by repayment, and by extinguishment of long-term debt.

Net assets amounted to ¥33,143 million, down ¥14,548 million from the prior year-end, due to the impact of foreign currency translation of a foreign subsidiary and a net loss of ¥12,292 million for the six months ended September 30, 2008, offset by an increase in capital stock and capital surplus by issuance of new stock.

3. Forecast of consolidated operating results

The consolidated business forecast for sales, operating income, and ordinary income is expected to fall short of the previous forecast due to a decrease in production volumes of the entire auto industry, especially of North American customers such as Chrysler, Ford, and General Motors, which was triggered by the turmoil in global financial markets. However, net income is expected to exceed the previous forecast considering the extraordinary gains and losses recognized in the first half of the fiscal year and those to be recorded in the second half of the fiscal year as shown below (refer to “Announcement of Revised Business Result Forecast” released on November 26, 2008).

(In ¥ billion)

Extraordinary income	1st half (actual)	2nd half (forecast)	Total (forecast)
Gain on forgiveness of debts	3.3		3.3
Reversal of provision for retirement benefits	1.6		1.6
Gain on bond retirement		31.6	31.6
Other	0.3		0.3
Total extraordinary income	5.2	31.6	36.8
Extraordinary loss			
Impairment loss	9.4		9.4
Loss on disposal of noncurrent and idled leased assets	1.4		1.4
Restructuring related costs		11.5	11.5
Other	0.5		0.5
Total extraordinary loss	11.3	11.5	22.8

The revised forecast of the consolidated operating results for the year ending March 31, 2009 is as follows.

	Net sales (In ¥ million)	Operating income (loss) (In ¥ million)	Ordinary loss (In ¥ million)	Net loss (In ¥ million)	Basic net loss per share (In ¥)
Previous Forecast (A) (announced on May 23, 2008)	299,000	5,600	(5,800)	(8,600)	(37.16)
Revised Forecast (B)	258,900	(3,700)	(13,200)	(600)	(4.94)
Difference (B – A)	(40,100)	(9,300)	(7,400)	8,000	32.22
Difference ratio	-13.4%	-	-	-	-
Previous fiscal year actual results	315,885	3,340	(8,602)	(34,818)	(137.91)

An extraordinary gain of ¥31.6 billion, net of fees incurred, is expected to be recorded by Metaldyne Corporation (“Metaldyne”), a wholly-owned subsidiary of the Company, during the third quarter, resulting from the purchase of bonds outstanding in the aggregate principal amount of ¥39.2 billion for the consideration of ¥6.5 billion through a cash tender offer (scheduled to be on November 25, 2008, New York City time). In addition, an extraordinary loss of ¥11.5 billion, related to Metaldyne’s restructuring activities, is anticipated to be recorded during the third and fourth quarters.

4. Other

(1) Change in the scope of consolidation: None

(2) Adoption of simplified methods and accounting treatment specific to the quarterly closing

1) Simplified methods

1. Calculation method of allowance for accounts receivable – Since the actual write-off ratio as of September 30, 2008 was not significantly different from one as of March 31, 2008, allowance for accounts receivable for this quarter is calculated using the write-off ratio as of March 30, 2008.
2. Calculation method of depreciation expense – Depreciation expense for fixed assets under the declining method is recorded by prorating the annual deprecation expense to be recorded during this fiscal year.
3. Calculation method of corporate and deferred taxes – The calculation of corporate tax expense for the Company and some of the consolidated subsidiaries is performed considering only material additive/subtractive items and tax credits. The valuation of deferred tax assets for this quarter is performed using the future projections or tax planning used for the year ended March 31, 2008, because the economic environment has not significantly changed and also there has been no material change in temporary differences since March 31, 2008.
4. Elimination of assets and liabilities and transactions among consolidated entities – Elimination of assets and

liabilities is performed without making adjustments when the difference between assets and liabilities is considered immaterial. Elimination of transactions is performed by using the Company's amount when the difference is considered immaterial.

2) Accounting treatment specific to quarterly closing

Calculation of tax expense – Some of the consolidated subsidiaries calculated tax expense by multiplying the loss before income taxes by the estimated effective tax rate, which was determined using estimated annual income before taxes and estimated annual tax expense adjusted for permanent differences. Deferred tax expense of these subsidiaries is included in current tax expense for the presentation of the consolidated statement of operations.

(3) Change of accounting principles/methods and presentation in preparing quarterly consolidated financial statements

1. ASBJ Statement No. 12 *Accounting Standard for Quarterly Financial Reporting* and ASBJ Guidance No. 14 *Guidance on Accounting Standard for Quarterly Financial Reporting* were newly adopted for the fiscal year ending March 31, 2009. In addition, quarterly consolidated financial statements are prepared in accordance with *Rules for Quarterly Financial Reporting*.
2. ASBJ Statement No. 9 *Accounting Standard for Measurement of Inventories* was newly adopted for the first quarter ended June 30, 2008. As a result of this adoption, operating loss, ordinary loss, and loss before income taxes increased by ¥114 million, ¥114 million, and ¥480 million, respectively, for the six months ended September 30, 2008.
3. ASBJ Practical Issues Task Force (PITF) No. 18 *Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements* was newly adopted for the first quarter ended June 30, 2008, and necessary consolidating adjustments are made accordingly. The adoption of this new pronouncement did not affect the consolidated operating results for the six months ended September 30, 2008.
4. ASBJ Statement No. 13 *Accounting Standard for Lease Transactions* and ASBJ Guidance No. 16 *Guidance on Accounting Standard for Lease Transactions* were early adopted for the first quarter ended June 30, 2008. The adoption of these new pronouncements did not materially affect the consolidated operating results for the six months ended September 30, 2008.

(Additional Information)

(Change in depreciation terms of property, plant and equipment)

As a result of tax law changes, the Company and some of the domestic subsidiaries revised the depreciation terms of major machinery from 4 to 12 years to 4 to 9 years starting the first quarter ended June 30, 2008, after reviewing the economic lives of assets. Such change in depreciation terms did not materially affect consolidated operating results for the six months ended September 30, 2008.

(Accounting treatment of discontinued operations)

During the six months ended September 30, 2008, Metaldyne decided to seek to divest its Middleville, Mich., and Niles, Ill., facilities, as part of the strategic focus developed under its "Plan to Win" program. In addition, Metaldyne entered into an agreement to divest its GLO S.r.L. operation in Italy.

Metaldyne determined that the Middleville, Niles and GLO operations qualify for the assets held for sale treatment in accordance with USGAAP. Therefore, the results of operations for these locations for the current and prior periods have been reported as discontinued operations. The assets and liabilities of the Middleville, Niles and GLO operations have been reclassified as assets and liabilities of discontinued operations in Metaldyne's consolidated balance sheets at September 28, 2008 and March 30, 2008. The assets and liabilities of discontinued operations amounted to ¥5,052 million and ¥2,794 million, respectively, net sales of discontinued operations were ¥6,910 and the total expenses and losses of discontinued operations amounted to ¥10,972 million for the six months ended

September 30, 2008.

However, the assets, liabilities, and the results of operations of discontinued operations are not separately presented from continuing operations in the Company’s consolidated financial statements for the six months ended September 30, 2008.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets (In ¥ million)

	As of September 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and deposits	¥9,106	¥6,529
Notes and accounts receivable-trade	33,157	36,395
Merchandise and finished goods	8,700	7,700
Work in process	5,222	4,771
Raw materials and supplies	8,551	8,704
Other	4,409	5,099
Allowance for doubtful accounts	(146)	(213)
Total current assets	68,999	68,987
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,258	16,534
Machinery, equipment and vehicles, net	45,496	49,813
Tools, furniture and fixtures, net	3,893	4,545
Land	16,697	16,763
Construction in progress	5,118	4,903
Other, net	1,236	-
Total property, plant and equipment	88,700	92,560
Intangible assets		
Goodwill	19,431	26,000
Other	48,868	50,826
Total intangible assets	68,299	76,827
Investments and other assets	4,329	4,242
Total noncurrent assets	161,329	173,629
Deferred assets	196	269
Total assets	230,525	242,886
Liabilities		
Current liabilities		
Notes and accounts payable-trade	36,357	38,104
Short-term loans payable	6,622	8,394
Income taxes payable	1,050	1,104
Provision for bonuses	2,004	1,918
Other provision	1,177	1,488
Other	12,574	14,238
Total current liabilities	59,787	65,249
Noncurrent liabilities		
Bonds payable	40,310	40,644
Long-term loans payable	67,931	58,235
Provision for retirement benefits	11,006	12,742
Other provision	929	933
Negative goodwill	165	34
Other	17,250	17,354
Total noncurrent liabilities	137,594	129,944
Total liabilities	¥197,381	¥195,194

(Continued)

(In ¥ million)

	As of September 30, 2008	As of March 31, 2008
Net assets		
Shareholders' equity		
Capital stock	¥35,284	¥34,384
Capital surplus	36,209	35,309
Retained earnings	(48,785)	(36,607)
Treasury stock	(20)	(20)
Total shareholders' equity	22,687	33,067
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24	25
Deferred losses on hedges	(162)	(143)
Revaluation reserve for land	3,044	3,044
Foreign currency translation adjustment	6,019	10,078
Total valuation and translation adjustments	8,926	13,005
Subscription rights to shares	322	255
Minority interests	1,206	1,363
Total net assets	33,143	47,692
Total liabilities and net assets	¥230,525	¥242,886

(Concluded)

(2) Consolidated Statement of Operations (In ¥ million)

	Six months ended September 30, 2008
Net sales	¥137,674
Cost of sales	128,739
Reversal of provision for loss on sales	(133)
Gross profit	9,068
Selling, general and administrative expenses	9,270
Operating loss	(202)
Non-operating income	
Interest income	23
Dividends income	2
Amortization of negative goodwill	12
Equity in earnings of affiliates	163
Subsidy income	115
Miscellaneous income	104
Total non-operating income	421
Non-operating expenses	
Interest expenses	5,179
Miscellaneous expenses	602
Total non-operating expenses	5,782
Ordinary loss	(5,562)
Extraordinary income	
Reversal of provision for retirement benefits	1,625
Gain on sales of noncurrent assets	274
Gain on forgiveness of debts	3,313
Other	40
Total extraordinary income	5,254
Extraordinary loss	
Loss on disposal of noncurrent assets	576
Impairment loss	9,387
Loss on valuation of inventories	366
Restructuring expense – severance	67
Other	906
Total extraordinary losses	11,305
Loss before income taxes and minority interests	(11,613)
Income taxes – current	770
Income taxes – deferred	(135)
Total income taxes	634
Minority interests in income	45
Net loss	(¥12,292)

(3) Note to going-concern assumption

This section is not applicable to the six months ended September 30, 2008.

(4) Material change in shareholders' equity

On July 15, 2008, a payment from RHJI International SA/NV for the issuance of stock (common stock) of the Company by means of third party allotment was completed. As a result, capital stock and capital surplus increased by ¥900 million, respectively, and capital stock and capital surplus amounted to ¥35,284 million and ¥36,209 million, respectively, for the six months ended September 30, 2008.

[Supplementary Information]

Consolidated Statement of Operations

	Six months ended September 30, 2007	
	Million yen	%
Net sales	¥161,269	100.0
Cost of sales	147,337	91.4
Reversal of provision for loss on sales	(279)	(0.2)
Gross profit	14,211	8.8
Selling, general and administrative expenses	11,067	6.9
Operating income	3,144	1.9
Non-operating income		
Interest income	46	
Dividends income	3	
Amortization of negative goodwill	5	
Equity in earnings of affiliates	66	
Subsidy income	70	
Foreign exchange gains	143	
Miscellaneous income	53	
Total non-operating income	390	0.2
Non-operating expenses		
Interest expense	6,169	
Miscellaneous expenses	365	
Total non-operating expenses	6,534	4.0
Ordinary loss	(3,000)	(1.9)
Extraordinary income		
Reversal of provision for retirement benefits	472	
Reversal of provision for bonuses	336	
Reversal of provision for legal proceedings	137	
Gain on sales of noncurrent assets	129	
Return of insurance premium at maturity	146	
Other	19	
Total extraordinary income	1,241	0.9
Extraordinary loss		
Loss on disposal of noncurrent assets	260	
Impairment loss	7	
Restructuring expense – severance	131	
Other	14	
Total extraordinary losses	414	0.3
Loss before income taxes and minority interests	(2,173)	(1.3)
Income taxes – current	1,302	
Income taxes – deferred	(851)	
Total income taxes	450	0.3
Minority interests in income	173	0.1
Net loss	(¥2,798)	(1.7)